

## **STANDARDS OF THE MISSOURI LEMON LAW**

The following is a brief explanation of most relevant provisions of the Missouri lemon law. The complete text of the lemon law can be found at Missouri Rev. Stat. section 407.560 *et seq.*

### **VEHICLES COVERED**

The Missouri lemon law covers any new motor vehicle being transferred for the first time from a manufacturer, distributor or new vehicle dealer; that has not been registered or titled in the state or any other state; and that is offered for sale, barter or exchange by a dealer franchised to sell, barter or exchange that particular make of new motor vehicle. This includes demonstrators or lease-purchase vehicles as long as a manufacturer's warranty was issued as a condition of sale.

The lemon law does not cover used vehicles, and appears not to cover leased vehicles unless acquired through a lease-purchase. The lemon law does not cover commercial motor vehicles, off-road vehicles, mopeds, motorcycles, and recreational motor vehicles *other than* the chassis, engine, powertrain and component parts.

### **CONSUMERS COVERED**

The lemon law covers the following consumers:

1. The purchaser, other than for purposes of resale, of a new motor vehicle primarily used for personal, family, or household purposes;
2. Any person to whom the new motor vehicle is transferred for the same purposes during the duration of an express warranty applicable to the new motor vehicle; and
3. Any other person entitled by the terms of the warranty to enforce its obligations.

### **PROBLEMS COVERED**

The lemon law covers any default or condition that impairs the use, market value or safety of the new motor vehicle to the consumer. This is referred to as a *nonconformity*.

The lemon law provides manufacturers with an affirmative defense if it can be shown that:

1. The alleged nonconformity does not *substantially* impair the use, market value or safety of the new motor vehicle; or
2. A nonconformity is the result of abuse, neglect, or unauthorized modifications or alterations of the new motor vehicle.

### **MANUFACTURER'S DUTY TO REPAIR A VEHICLE**

If the consumer reports a nonconformity to the manufacturer or its agent during the term of the express warranties or during a period of one year following the date of the

new motor vehicle's original delivery to the consumer, whichever comes first, then the manufacturer or its agent must make the necessary repairs to conform the new motor vehicle to the express warranties.

The necessary repairs must be made even after the expiration of the term of the express warranties or the one year period.

The terms, conditions or limitations of the express warranty, or the period of one year following the date of the new motor vehicle's original delivery to the consumer, whichever comes first, may be extended if the new motor vehicle warranty problem has been reported but has not been repaired by the manufacturer or its agent before the expiration of the applicable time period.

### **MANUFACTURER'S DUTY TO REPURCHASE OR REPLACE A VEHICLE**

If the manufacturer, its agent or authorized dealer is unable to conform the new motor vehicle to any applicable express warranty by repairing or correcting any nonconformity after a *reasonable number of attempts*, the manufacturer must, at its option, either repurchase or replace the new motor vehicle.

### **REASONABLE NUMBER OF REPAIR ATTEMPTS**

The Missouri lemon law establishes a *presumption* that a reasonable number of repair attempts has been undertaken to conform a new motor vehicle to the applicable express warranties if, within the express warranty term or during the period of one year following the date of the new motor vehicle's original delivery to a consumer, whichever expires earlier, either of the following occurs:

1. The same nonconformity has been subject to repair four or more times by the manufacturer or its agents, and the nonconformity continues to exist; or
2. The new motor vehicle is out of service by reason of repair of the nonconformity by the manufacturer, its agents or authorized dealer for a cumulative total of 30 or more working days, exclusive of down time for routine maintenance as prescribed by the manufacturer.

The 30 day period may be extended by a period of time during which repair services are not available to the consumer because of a conditions beyond the control of the manufacturer or its agents.

The term of the express warranty or the one year period following the date of the new motor vehicle's original delivery to a consumer, whichever expires earlier, may be extended if the nonconformity has been reported but has not been repaired by the manufacturer or its agent by the expiration of the applicable time period.

### **NOTICE AND FINAL REPAIR ATTEMPT**

Before availing himself or herself of the provisions of the lemon law, the consumer or the consumer's representative must give written notification to the manufacturer of the

need for repair of the nonconformity, in order to allow the manufacturer an opportunity to cure the alleged nonconformity. Upon receipt of the notice, the manufacturer must immediately notify the consumer of a reasonably accessible repair facility of a franchised new vehicle dealer. After the consumer delivers the new motor vehicle to the authorized repair facility, the manufacturer has ten calendar days to conform the new motor vehicle to the express warranty.

### **DISPUTE RESOLUTION**

If the manufacturer has established an informal dispute settlement procedure that complies with 16 C.F.R. Part 703, then the provisions requiring refund or replacement do not apply unless the consumer has first resorted to the informal dispute settlement procedure.

### **TIME PERIOD FOR FILING CLAIMS**

An action must be commenced within the earlier of (1) six months following expiration of the express warranty, or (2) 18 months following the date of the vehicle's original delivery to a consumer. If a consumer resorts to an informal dispute settlement procedure, an action must be commenced within 90 days following the procedure's final action.

## **REMEDIES UNDER THE MISSOURI LEMON LAW**

### **REPURCHASE**

The Missouri lemon law sets out the following amounts that a manufacturer must pay when it repurchases a new motor vehicle under the lemon law:

1. The full purchase price of the new motor vehicle; and
2. All reasonably incurred collateral charges, meaning those additional charges to a consumer not directly attributable to a manufacturer's suggested retail price label for the new motor vehicle, including all sales tax, license fees, registration fees, title fees and motor vehicle inspections;
3. Less a reasonable allowance for the consumer's use of the vehicle.

The manufacturer may refund to the consumer any sales tax, license fees, registration fees, and title fees paid by the consumer as a result of purchasing the vehicle, and then apply to the Department of Revenue for a refund of these amounts. Alternatively, the manufacturer may direct the consumer to apply to the Department of Revenue for a refund of any sales tax, license fees, registration fees, and title fees paid by the consumer as a result of purchasing the vehicle, provided the manufacturer also gives the consumer documentation to prove the consumer paid these amounts.

Refunds must be made to the consumer and lienholder of record, if any, as their interests may appear.

### **REPLACEMENT**

The Missouri lemon law provides that a replacement new motor vehicle be an identical or reasonably equivalent new motor vehicle that is acceptable to the consumer. The consumer is responsible for a reasonable allowance for the consumer's use of the vehicle.